

**Minutes of the
North Carolina State Board of Education
Appalachian State University
Piemmons Student Union
263 Locust Street
Boone, North Carolina 28608
October 6, 2016**

The North Carolina State Board of Education met and the following members were present:

William Cobey, Chairman (via conference call)
A.L. “Buddy” Collins, Vice Chairman
Janet Cowell, State Treasurer
Gregory Alcorn
Todd Chasteen
Eric C. Davis

Wayne McDevitt
Olivia Oxendine
Rebecca Taylor
Amy White
Patricia Willoughby

Also present were:

June St. Clair Atkinson, State Superintendent
Keana Triplett, Teacher of the Year Advisor

Bobbie Cavnar, Teacher of the Year Advisor

CALL TO ORDER AND INTRODUCTION

In the absence of Chairman Bill Cobey, Vice Chairman A.L. Collins called the Thursday session of the October 2016 State Board of Education (SBE) meeting to order and declared the Board in official session. The Vice Chairman noted for all in attendance onsite and for those listening online that the State Board was audio streaming this meeting from the campus of Appalachian State University in the Plemmons Student Union. He reminded everyone that all Board agenda items and links to the live-stream audio are located on eBoard, accessible on the State Board’s website.

Vice Chairman Collins explained that Board members arrived at Appalachian State in Boone on Tuesday to begin its Bi-annual Planning and Work Session, and is concluding its week’s activities with the Board’s monthly meeting today.

The Vice Chairman welcomed Chairman Cobey, noting for the audience that the Chairman was participating in the meeting via conference call.

In compliance with the requirements of Chapter 138A-15(e) of the State Government Ethics Act, Vice Chairman Collins reminded Board members of their duty to avoid conflicts of interest and appearances of conflicts of interest under Chapter 138A. He asked if members of the Board knew of any conflict of interest or any appearance of conflict with respect to any matters coming before them during this meeting. There were no conflicts of interest communicated at this time. The Vice Chairman then requested that if, during the course of the meeting, members became aware of an actual or apparent conflict of interest that they bring the matter to the attention of the Vice Chairman. It would then be their duty to abstain from participating in discussion and from voting on the matter.

Board member Todd Chasteen was recognized to lead the Board with the Pledge of Allegiance.

- **Welcome to Appalachian State University, Watauga County and the Northwest District**
 - ❖ **Dr. Sheri N. Everts (Chancellor, Appalachian State University)**
 - ❖ **Mr. Ron Henries (Chairman, Watauga County Board of Education)**

Vice Chairman Collins recognize Dr. Sheri Everts (Chancellor, Appalachian State University) for an official welcome to the campus and Mr. Ron Henries (Watauga County School's Board of Education Chairman) to welcome the Board to Watauga County and the Northwest Education Region.

As Dr. Everts made her way to the podium, Vice Chairman Collins shared that the Board had the pleasure of spending time with Dr. Everts and many of the Reich College of Education faculty on Tuesday evening, noting that some of the teacher education faculty also attended portions of the Board's Planning and Work Session. He explained that the Board sees its university colleagues as partners in the public school process, just as it does with local school systems.

Chancellor Sheri Everts officially welcomed the State Board of Education to Appalachian State University, noting that it was an honor to host the State Board on campus.

Mr. Henries welcomed the State Board to Watauga County on behalf of the Watauga County Board of Education and the Northwest Region. He expressed pride in being able to recognize State Teacher of the Year Keana Triplett and Board member Todd Chasteen, both from the area.

Following their remarks, Vice Chairman Collins publicly thanked Dr. Everts and staff and Mr. Henries and staff for their willingness to host the State Board this week. They were invited forward to receive a token of appreciation from the State Board of Education for hosting and for all they do in teacher education and preparation and for their participation with the Board this week. Dr. Everts and Mr. Henries were presented with crystal apples. The presentations were photographed.

APPROVAL OF AGENDA

As the first order of business, Vice Chairman Collins drew attention to the full meeting agenda, which is available on eBoard. Prior to calling for a motion, the Vice Chairman explained that the agenda was being reorganized to move the Closed Session portion of the agenda to the end of the meeting. There were no objections. He called for a motion to approve the October meeting agenda as amended.

Discussion/Comments:

- There was no further discussion.

<i>Upon motion made by <u>Mr. Wayne McDevitt</u>, and seconded by <u>State Treasurer Janet Cowell</u>, the Board voted unanimously to approve the State Board of Education meeting agenda for October 6, 2016, as amended.</i>
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APPROVAL OF MINUTES

Discussion/Comments:

- Vice Chairman Collins requested a motion to approve the minutes of the August 31-September 1, 2016, State Board of Education meeting.
- There was no discussion.

Mr. Eric Davis made a motion to approve the minutes of the August 31-September 1, 2016, State Board of Education meeting. Seconded by Dr. Olivia Oxendine, the Board voted unanimously to approve the minutes as presented.

STATE SUPERINTENDENT'S REPORT

2016 National Blue Ribbon Schools

National Blue Ribbons Awarded to Eight NC Public Schools

Eight North Carolina public schools were named 2016 National Blue Ribbon Schools by U.S. Secretary of Education John B. King Jr. These schools are among 279 public and 50 private schools where students either achieve very high learning standards or are making notable improvements in closing the achievement gap.

North Carolina public schools receiving this recognition are

- Pisgah Elementary, Buncombe County Schools;
- The Early College at Guilford, Guilford County Schools;
- Jay M. Robinson Middle, Charlotte-Mecklenburg Schools;
- Wrightsville Beach Elementary, New Hanover County Schools;
- Central Academy of Technology and Arts, Union County Schools;
- Davis Drive Elementary, Wake County Schools;
- Morrisville Elementary, Wake County Schools; and
- Bald Creek Elementary, Yancey County Schools.

National Blue Ribbon Schools are recognized in one of two performance categories, which are based on all student scores, subgroup student scores and graduation rates. The categories are as follows:

- Exemplary High Performing Schools. Schools are among their state's highest-performing schools as measured by state assessments or nationally normed tests.
- Exemplary Achievement Gap Closing Schools. Schools are among their state's highest-performing schools in closing achievement gaps between a school's subgroups and all students over the past five years.

Representatives from each of these schools will be honored at a conference and awards ceremony in Washington, DC in November.

Give 5 – Read 5 puts books in hands of thousands of students

Thanks to *Give Five – Read Five* and other local efforts, businesses, nonprofits, churches and even other middle and high schools collected nearly 460,000 books for students to take home and read to help them maintain literacy skills during summer break.

In addition, 220,000 books were read online with the myONReader. Through a partnership with myON a division of Capstone, all schools were given free summer access to the personalized literacy tool.

As in previous years, the North Carolina Department of Public Instruction is awarding prizes to schools in four different size divisions that collected the most books in independent *Give Five – Read Five* campaigns. The following four winners will receive a one-year subscription to a school-wide literacy tool:

- Overall Winner: Winding Springs Elementary (Charlotte-Mecklenburg Schools) collected 16,530 books. Awarded a one-year school license to a personalized literacy program from myON.
- Small School Winner: Aberdeen Primary (Moore County Schools) collected 10,399 books. Awarded a one-year school license to Reading Horizons.
- Medium School Winner: Union Elementary (Cleveland County Schools) collected 5,782 books. Awarded a one-year school license to Reading Horizons.
- Large School Winner: Don D. Steed Elementary (Hoke County Schools) collected 10,527 books. Awarded a one-year site license to literacy software from Achieve3000.

For more information and a complete list of *Give Five – Read Five* participants, contact NCDPI Communications at 919.807.3450.

20th Celebration of Walk to School Day

October 5, 2016, marked the 20th celebration of Walk to School Day. Last year, North Carolina had 235 schools across the state register Walk to School events, ranking our state sixth in the nation for Walk to School Day participation. Walk to School Day serves as a great opportunity for physical activity. There is evidence connecting physical activity and learning. Physical activity

- benefits health and academic achievement,
- enhances concentration and memory, and
- improves classroom behavior.

Walk to School Day is a fun and engaging activity for students, teachers, and parents. If you would like to plan an event for Walk to School Day and Bike to School Day at your school, an event planning guide is available at <https://connect.ncdot.gov/projects/BikePed/Documents/NCHowToPlan.pdf>.

Every Student Succeeds Act (ESSA) Fall Public Input Sessions

ESSA fall public input sessions have been scheduled. The scheduled is as follows:

- Thursday, October 6, West Wilkes Middle School, 1677 N. NC Hwy 16, Wilkesboro, NC
- Wednesday, October 12, Jacksonville High School, 1021 Henderson Drive, Jacksonville, NC
- Tuesday, October 18, Long Hill Elementary School, 6490 Ramsey Street, Fayetteville, NC
- Wednesday, October 19, Tarboro High School, 1400 Howard Avenue, Tarboro, NC
- Monday, October 24, Tuscola High School, 564 Tuscola School Road, Waynesville, NC
- Tuesday, October 25, Career and Technical Education Center, 2550 Buckingham Road, Burlington, NC

The input sessions will be held from 5:00 – 7:00 pm with the exception of Tarboro on October 19, which will be held from 4:00 – 6:00 pm.

New Superintendent Orientation Held at DPI

New superintendents from 19 school districts met on September 16 in Raleigh to develop a further understanding of how DPI serves schools, superintendents, and the education family. Agenda topics included

- SBE Strategic Plan
- How We are Organized to Serve and Lead
- Making Change in Your District
- Digital Learning Plan

Superintendents' Teacher Advisory Council Meets

The Superintendent's Teacher Advisory Council met on September 29 in Raleigh. Agenda topics included

- Update on NC Check-Ins
- ESSA Feedback
- Feedback on Maximizing the Use of Home Base
- Briefing on P-READY Meetings regarding principal evaluations

New Additions Join DPI Team

- Rebecca Long (Education Consultant II, District and School Transformation)
- Mary Brown (Program Assistant V, Office of Charter Schools)
- Lindsey Beam (Education Consultant III, District and School Transformation)
- Amy Campbell (Education Consultant II, Exceptional Children)
- Herlene Thomas (Budget Analyst, Financial and Business Services)
- Matthew Teal (Social/Clinical Research Specialist, Financial and Business Services)

Recent Activities of the State Superintendent

☐ Attended and/or delivered remarks/keynote address at

- Safe School Press Event, Cary, NC
- Southwest Education Alliance Superintendent meeting, Concord, NC
- NCCAT Fall Conference, Cullowhee, NC
- Western Region Education Service Alliance Superintendent meeting, Asheville, NC
- Council of State, Raleigh, NC
- Governor's Task Force on Mental Health and Substance Use, Raleigh, NC
- Northwest Region Education Service Alliance Superintendent meeting, Wilkesboro, NC
- New Superintendent Orientation, Raleigh, NC
- Northeast Region Education Service Alliance Superintendent meeting, Williamston, NC
- New Bern Rotary Club meeting, New Bern, NC
- Central Carolina Regional Education Service Alliance Superintendent meeting, Raleigh, NC
- Poe Center for Health Education anniversary event, Raleigh, NC
- Trinity Methodist Church service and luncheon in honor of educators, Red Springs, NC
- New Hanover Retired School Personnel meeting, Wilmington, NC
- Education Cabinet, Raleigh, NC
- Teacher Advisory Council, Raleigh, NC

Visited

- Davenport A+ Elementary School, Lenoir, NC
- West Lenoir Elementary School, Lenoir, NC
- Hibriten High School, Lenoir, NC
- Taylorsville Elementary School, Taylorsville, NC
- Columbia Middle School, Columbia, NC
- Columbia High School, Columbia, NC
- Tyrrell Elementary School, Columbia, NC
- Aycock Middle School, Greensboro, NC
- STEM Early College at NC A&T State University, Greensboro, NC
- Middle College at NC A&T State University, Greensboro, NC

Resolutions to Increase Dropout Age from 16-18 Years Old

Dr. Atkinson explained that, according to state law, resolutions to increase the dropout age from 16-18 years old must be presented to the State Board of Education, noting that the law states that the State Board “shall” approve the resolutions. The following resolutions for the Board’s approval:

- Hickory Public Schools Board of Education
- Newton-Conover City Schools Board of Education
- Rutherford County Schools Board of Education

Vice Chairman Collins suggested that these resolutions be added to the Consent Agenda. There were no objections.

- **Special Presentation to the State Board of Education: Capacity for Financing School Construction**
 - ❖ **State Treasurer Janet Cowell**
 - ❖ **Mr. Greg Gaskins (Deputy State Treasurer and Director of State and Local Government Financing)**

Vice Chairman Collins recognized State Treasurer Janet Cowell for a special presentation on the Capacity for Financing School Construction.

Following introductory comments about school buildings, which is an essential part of public education infrastructure, and noting that the Treasurer’s Office recognizes that there are a lot of needs in North Carolina, State Treasurer Janet Cowell explained that the purpose of this presentation is to highlight some of the facts around what those needs are and how the funding has changed. She stated that the main message is that this needs to be a public conversation. She noted that this topic has been discussed in the Legislature and will likely return to the Legislature as counties struggle to meet construction needs. She elaborated briefly about some ideas that encroach upon operating monies for schools. Treasurer Cowell reported that the Treasurer’s Office has worked with Mr. Philip Price and other staff at DPI, county commissioners, and State School Board administrators during the last session of the General Assembly; therefore, she wants the State Board of Education to be engaged as well. She noted that, as stakeholders, the State Board needs to be making some choices and presenting those in a unified voice to the General Assembly; Otherwise, the choices will get made for us, according to the Treasurer.

At this time, Treasurer Cowell introduced Mr. Greg Gaskins to share some of the principles – a public conversation, a statewide solution, and financially responsible.

Mr. Gaskins prefaced his comments by explaining that it is not a surprise to anyone that there are areas in our state that have had some challenges related to their finances partially due to changes or loss of native industries, such as textiles, tobacco, small manufacturing, and furniture as well as the recession impacts from 2008-09. He noted that the state has not equally come out of that recession.

Using a PowerPoint presentation, Mr. Gaskins provided a comprehensive overview of detailed perspectives from the Local Government Commission staff for the State Board of Education's consideration.

Mr. Gaskins provided historical data to show county funding for public school capital needs from 2005-15. He noted that, according to the Department of Public Instruction, there is a five-year need of over eight billion dollars.

Other categories of historical data shared by Mr. Gaskins included:

- Public School Capital Outlay: funding sources from 2007-15
- NC School Debt Issued (FY 2005-16)
- NC Outstanding School Debt
- State Bonds for Public Ed. (1958-2016, Inflation-Adj.) – No State Bond referenda for public school construction since 1996.
- Corporate Tax Earmarking, Public School Capital Fund
- NC Education Lottery

Mr. Gaskins also noted that the General Assembly has directed PED to study school infrastructure needs. The LEAs selected for the PED Study of Capital Needs include: Anson, Bertie, Clay, Davie, Greene, Harnett, Jones, Robeson, Scotland and Yancey.

In addition, Mr. Gaskins noted that some parts of the state have accelerated growth and some parts are struggling economically and both categories may need help with school infrastructure. He emphasized that there has not been a bond referendum for public school construction since 1996.

In closing comments, Mr. Gaskins stated that the goal should be to invest in school infrastructure consistently. North Carolina should use the state's AAA credit wisely, strategically, and within limits; look at innovations objectively; and make policy changes transparently with input from all stakeholders.

Board member Eric Davis shared that in most recent accreditation audit for Charlotte/Mecklenburg Schools, the condition of the facilities and capital funding was the number one issue raised that threatens Charlotte/Mecklenburg Schools' accreditation, which is supposedly in one of the richest counties in the state. Mr. Davis stated that North Carolina faces a combination of issues. One is the economic reality in so many parts of North Carolina that have been devastated over the last 10 years and the other is the political will to invest in our school systems; there is no consistency. He suggested that the State Board of Education has got to play an active role in advocating to fix both of those issues.

Board member Wayne McDevitt reported that on Wednesday, during the breakout sessions, his group had an extensive conversation around these needs; he elaborating briefly. Mr. McDevitt reminded everyone that this issue is a moving target because as we speak, the number continues to grow. He

stated that if we are going to pass bonds for the comprehensive needs of this state, including water, sewer, roads, facilities, etc., we will have to find a way to partner.

Referencing the LEAs that have been selected as part of study, Dr. Olivia Oxendine asked if those LEAs have a long-range capital building plan? A brief discussion ensued.

Mr. Greg Alcorn asked about the timeline for coming up with a unified message, specifically when the Board can expect to embrace some specifics about the lottery and whether that needs to be addressed or changed, bond referendums, the surplus of the state, and closing the back door. Mr. Gaskins explained that the Blue Ribbon Infrastructure Committee is scheduled to meet again next week, which will be the first meeting in 2016, noting that this topic is on the agenda. He explained that the group will have meetings with the two co-chairs to ask for their feedback to provide them assistance and information about this issue. He explained further that they have been working with NCSBA and the Association of County Commissioners on this issue. Mr. Gaskins also shared that on October 26, Mr. Edgar Starnes (Lobbyist for the Treasurer's Office) is invited to a meeting that the School Boards Association is having largely about this topic. In addition, a committee of the Association of County Commissioners has already met and there is going to be a staff meeting with them where they will tell us about their preliminary recommendations. Those two bodies are collaborating in hopes that they can jointly have a proposal, according to Mr. Gaskins.

At the request of Mr. Todd Chasteen to identify the "other sources", which is a big percentage of funding for capital outlay, Mr. Gaskins explained that the other sources represent any type of revenue that is available to that local government; he provided several examples.

Vice Chairman Collins spoke briefly about serving as a building grounds chair for a local board, noting that he understands the struggles folks have with capital construction. He shared that Forsyth County was blessed to have voters to pass bonds. He explained that one of the things they found when they started building was that a lot of the money was caught up in maintenance, where the LEA had to go back and fix things that would have been far cheaper to fix earlier if they had been taken care of appropriately in the beginning. Mr. Collins asked Mr. Gaskins to take the following issues back to the committee: Sales tax. He stated while counties, hospitals and nonprofits are exempt from sales tax, LEAs are not. Mr. Collins suggested that if all the sales tax could be put back into a capital fund it would be a growing fund. He spoke briefly about the experience of making deals with county commissioners to symbolically transfer property during the period of construction in order to get sales tax relief. He added that sales tax exemption would help every county in the state. The second issue he asked Mr. Gaskins to share with the committee is the issue of rain tax for storm water improvements. Vice Chairman Collins explained that every time a school builds, they have to pay storm water improvements. He shared that one of the facilities in Forsyth had a \$2M storm water retention facility underground that Forsyth had to build. That \$2M could very easily go into classrooms, according to Mr. Collins. He elaborated about the outdated system of construction that no longer works, noting that to ask counties to bear the total cost of school construction just doesn't make economic sense as it relates to the disparity in population across the state.

The Vice Chairman applauded the State Treasurer's Office for elevating the issues, noting that there has to be a better way to fund schools. It also has to be a priority of the state, according to Vice Chairman Collins.

Vice Chairman Collins also shared briefly that when Union County sued its county commissioners, they found they had approximately \$200M in their fund balance. Mr. Collins explained that he requested a list of the fund balances for all of the counties because we get a report on deferred maintenance needs but we have no way of knowing whether a county has the capacity of doing the deferred maintenance and they are just not doing it. All of those things need to be a part of the discussion. The Vice Chairman concluded his comments by stating that the Board hopes to have regular reports to the extent that this Board can be helpful in the process.

CONSENT AGENDA

Vice Chairman Collins moved to the Consent Agenda, which is reserved for items that generally create little or no debate such as routine appointments, items that come for information purposes only, routine reports, and final approval of reports that the Board has already discussed. Board members have always seen these materials prior to the Board meetings, and may ask that items be removed from the Consent Agenda to be discussed on an individual basis.

Vice Chairman Collins noted a total of eight items for consideration, and asked if any Board members wanted to remove any item from the Consent Agenda. Without objection, Vice Chairman Collins requested that BSOP 10 be added to the slate of consent items. There were no objections.

Upon motion by Mr. Greg Alcorn and seconded by Mr. Eric Davis, the Board voted unanimously to approve the slate of Consent Agenda items as presented. (See Attachments SLA 1, SLA 2, SLA 3, BSOP 1, BSOP 2, BSOP 3, BSOP 4, and ES&P 1)

STUDENT LEARNING AND ACHIEVEMENT COMMITTEE CHAIR REPORT (Mr. Eric C. Davis, Chair; and Dr. Olivia Oxendine, Vice Chair)

CONSENT

SLA 1 – Approval of Alternative Schools’ Accountability Model

Policy Implications: Session Law 2013-1

SBE Strategic Plan:

Goal 1: Every student in the NC Public School System graduates from high school prepared for work, further education, and citizenship.

Objective 1.1: Increase the cohort graduation rate.

Objective 1.2: Graduate students prepared for postsecondary education.

Objective 1.3: Graduate students pursuing a Career and Technical Education (CTE) concentration prepared for careers.

Objective 1.4: Reduce the percentage of students needing remediation in postsecondary education.

Objective 1.5: Increase student performance on the state’s End-of-Grade (EOG) and End-of-Course (EOC) Assessments and on the National Assessment of Educational Progress (NAEP).

Presenter(s): Dr. Rebecca Garland (Deputy State Superintendent, Office of the Deputy State Superintendent) and Dr. Tammy Howard (Director, Accountability Services)

Description:

In December 2014, the State Board of Education approved GCS-C-038, which gives alternative schools three options in lieu of reporting a School Performance Grade:

1. Alternative school returns student scores to the home school for inclusion in the home school's A–F school performance grade;
2. Alternative school reports data on student achievement and growth and receives a status of progressing, maintaining, or declining, but does not receive an A–F school performance grade; or Alternative schools may submit their own alternative accountability models to the State Board of Education for approval.

Alternative schools submitted documentation for the options that will be utilized for the 2016-17 school year by August 1. The Accountability Services staff reviewed the requests and presented a summary of the options at the September meeting for Discussion and is presenting at the October meeting for Action.

Recommendation(s):

It is recommended that the State Board of Education approve the alternative accountability options as presented.

CONSENT

SLA 2 – Report to the North Carolina General Assembly: DPI Study/Improve Outcomes for Students with Disabilities

Policy Implications: General Statute §115C-107.3(a), SL 2007-292 (HB 18)

SBE Strategic Plan:

Goal 1: Every student in the NC Public School System graduates from high school prepared for work, further education, and citizenship.

Objective 1.1: Increase the cohort graduation rate.

Objective 1.2: Graduate students prepared for postsecondary education.

Goal 2: Every student has a personalized education.

Objective 2.1: Increase the percentage of schools with a performance composite at or above 60% and meeting or exceeding growth.

Presenter(s): Dr. Maria Pitre-Martin (Chief Academic and Digital Learning Officer, Academic and Digital Learning) and Mr. William J. Hussey (Director, Exceptional Children Division)

Description:

This item is submitted to the State Board of Education to comply with the requirement that DPI shall report to JLEOC on the progress of developing and implementing policy changes on (i) IEP reforms, (ii) transition planning policies, (iii) increased access to Future-Ready Core Course of Study for students with disabilities, and (iv) model programs for use by local school administrative units to improve graduation rates and school performance of students with disabilities.

Recommendation(s):

It is recommended that the State Board of Education accept this report for submission to the Governor and the General Assembly.

CONSENT

SLA 3 – Deletion of Policy Regarding State Plan for Fiscal Years 1996-1998

Policy Implications: SBE Policy #TCS-I-01

SBE Strategic Plan:

Goal 1: Every student in the NC Public School System graduates from high school prepared for work, further education, and citizenship.

Objective 1.1: Increase the cohort graduation rate.

Objective 1.2: Graduate students prepared for postsecondary education.

Presenter(s): Dr. Maria Pitre-Martin (Chief Academic and Digital Learning Officer, Academic and Digital Learning) and Mr. William J. Hussey (Director, Exceptional Children Division)

Description:

This item is submitted to the State Board of Education to delete TCS-I-001 due to obsolete information. This policy no longer applies, as a result of the state plan now being completed electronically. This policy is out of date and has no current application. This request is to make a technical correction to clean up an out-of-date policy.

Recommendation(s):

It is recommended that the State Board of Education accept deletion of TCS-I-001 from the policy manual.

**BUSINESS OPERATIONS COMMITTEE CHAIR REPORT
(Mr. Gregory Alcorn, Chair; Mr. Todd Chasteen, Vice Chair)**

CONSENT

BSOP 1 – JLEOC Report: Cooperative Purchasing Agreements

Policy Implications: Session Law 2015-241 (HB 97), Sec. 8.14

SBE Strategic Plan:

Goal 4: Every school district has up-to-date financial, business, and technology systems to serve its students, parents and educators.

Objective 4.2: Use Home Base as an essential resource for instructional delivery and communications with parents and students.

Presenter(s): Mr. Philip Price (Chief Financial Officer, Financial and Business Services), Mr. Sam Fuller (Assistant Director, Financial Services Division) and Ms. Joni Robbins, (Section Chief, Purchasing and Contracts Section)

Description:

This report is being submitted to the State Board of Education to comply with the following legislative mandate: By October 15, 2015, and annually thereafter, DPI and the Friday Institute shall report on the establishment of cooperative purchasing agreements, savings resulting from the establishment of the agreements, and any issues impacting the establishment of the agreements. The reports shall be made to

the Joint Legislative Oversight Committee on Information Technology, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division.

Recommendation(s):

It is recommended that the State Board of Education accept this report for submission to the Joint Legislative Education Oversight Committee.

CONSENT

BSOP 2 – Voluntary Shared Leave Reports by LEA - Fiscal Year 2015-16

Policy Implications: General Statute §126-8.3(c)

SBE Strategic Plan:

Goal 4: Every school district has up-to-date financial, business, and technology systems to serve its students, parents and educators.

Objective 4.3: Increase the percentage of schools with a performance composite at or above 60% and meeting or exceeding growth.

Presenter(s): Mr. Philip Price (Chief Financial Officer, Financial and Business Services) and Mrs. Alexis Schauss (Director, School Business Division)

Description:

This report provides the details on the amount and cost of leave donated, and the amount and cost of leave used as part of the Voluntary Shared Leave program in each LEA.

Recommendation(s):

It is recommended that the State Board of Education approve the report as presented.

CONSENT

BSOP 3 – State Board of Education Waivers of State Law or Rules Granted to Local Education

Agencies

Policy Implications: House Bill 97 (Session Law 2015-241)

SBE Strategic Plan:

N/A

Presenter(s): Mr. Philip Price (Chief Financial Officer, Financial and Business Services) and Mrs. Alexis Schauss (Director, School Business Division)

Description:

Pursuant to Session Law HB97 (SL 2015-241) Section 8A.6a, the North Carolina State Board of Education (NCSBE) is required to submit an annual report on waivers granted to local education agencies. The attached report lists current waivers granted by the NCSBE to state laws, where permissible, or to its own rules. This report will be updated annually and presented to the NCSBE in October of each year.

Recommendation(s):

The State Board of Education is asked to approve the report for submission to the Joint Legislative Education Oversight Committee by October 15, 2016.

CONSENT**BSOP 4 – Student Credential Allotment for Career and Technical Education**

Policy Implications: Session Law 2013-360 (SB 402), Section 8.28(b)

SBE Strategic Plan:

Goal 1: Every student in the NC Public School System graduates from high school prepared for work, further education and citizenship.

Objective 4.3: Graduate students pursuing a Career and Technical Education (CTE) concentration prepared for careers.

Presenter(s): Dr. Maria Pitre-Martin (Chief Academic and Digital Learning Officer, Academic and Digital Learning) and Mrs. Jo Anne Honeycutt (Director, Career and Technical Education Division)

Description:

Session Law 2013-360 allocated funds to increase the number of industry-recognized technical credentials that can be earned by high school students by exempting students from paying fees for one administration of examinations leading to industry certifications and credentials according to rules to be adopted by the State Board of Education.

Funds available for 2016-17 total \$1,302,243 are to be allotted to each local education agency (LEA) to offset the cost of credentials pursued at the local level.

NCDPI used the following method when calculating each LEA's allotment:

- Projected the number of participants in each eligible course
- Multiplied the projected participants by the per-pupil cost of the credential
- Totaled the per-pupil costs to calculate a statewide need of \$13,872,193
- Allocated a base amount of \$100 for each school
- Divided the total funds available by the total need to calculate the total amount that the credential allotment could cover (3.9%)
- Allotted credential money to cover 3.9% of each LEA's projected need

Attachment one details the amount of funding to be allotted to each LEA.

Recommendation(s):

It is recommended that the State Board of Education approve the allotments as presented.

EDUCATOR STANDARDS AND PRACTICES COMMITTEE CHAIR REPORT
(Dr. Olivia Holmes Oxendine, Chair; Mr. Eric Davis, Vice Chair)

CONSENT

ES&P 1 – Policy Revisions - TCP-A-004: Beginning Teacher Support Programs

Policy Implications: SBE Policy #TCP-A-004

SBE Strategic Plan:

Goal 3: Every student, every day has excellent educators.

Objective 3.1: Develop and support highly effective teachers.

Presenter(s): Dr. Rebecca Garland (Deputy State Superintendent, Office of the Deputy State Superintendent), Dr. Lynne Johnson (Director, Educator Effectiveness) and Dr. Yvette Stewart (Assistant Director, Educator Effectiveness)

Description:

Currently, each LEA develops a comprehensive program for beginning teachers, which is reviewed and monitored. The plan is approved by the local board of education. The policy has been reformatted to streamline the language for clarity, separating policy language from procedural language. A handbook for procedures and best practices will now be a separate document from the policy requirements; the handbook will be available online.

Recommendation(s):

It is recommended that the State Board of Education approve the proposed revision to the Beginning Teacher Support Program.

ACTION AND DISCUSSION AGENDA

EDUCATOR STANDARDS AND PRACTICES COMMITTEE CHAIR REPORT
(Dr. Olivia Holmes Oxendine, Chair; Mr. Eric Davis, Vice Chair)

ACTION

ES&P 2 – New Policy Allowing Adjunct Faculty to Teach Career and Technical Education (CTE)

Courses

Policy Implications: General Statute §115C-157.1, SBE Policy #TCP-C-023

SBE Strategic Plan:

Goal 3: Every student, every day has excellent educators.

Objective 3.1: Develop and support highly effective teachers.

Presenter(s): Dr. Maria Pitre-Martin (Chief Academic Officer, Academic and Digital Learning) and Ms. Jo Anne Honeycutt (Director, Career and Technical Education)

Description:

HB 1030 allows Local Education Agencies (LEAs) to hire adjunct instructors for Career and Technical Education (CTE) courses and directs the State Board of Education (SBE) to develop minimum criteria

of relevant education or employment experience to qualify to contract as an adjunct instructor in each CTE career cluster and shall make such criteria available to local boards of education.

The law sets forth the following requirements and limitations to the employment:

“The local board of education may contract with an adjunct instructor on an annual or semester basis, subject to the following requirements:

- (1) An adjunct instructor may be employed for no more than 10 hours per week.
- (2) An adjunct instructor shall be subject to a criminal history check to ensure that the person has not been convicted of any crime listed in G.S. §115C-332.
- (3) An adjunct instructor shall not be required to hold or apply for licensure as a teacher.
- (4) An adjunct instructor must complete preservice training in all of the following areas prior to beginning instruction:
 - a. The identification and education of children with disabilities.
 - b. Positive management of student behavior.
 - c. Effective communication for defusing and deescalating disruptive or dangerous behavior.
 - d. Safe and appropriate use of seclusion and restraint."

The CTE Division is proposing the following criteria for discussion:

1. Candidates have the education and work experience requirements outlined in SBE policy #TCP-A-001 Section 1.55, or
2. Candidates are currently employed by a community college to teach in a related subject area, or
3. Candidates hold a current license for teaching in the same program area, or
4. Candidates hold an expired license for teaching in the same program area.

Adjunct Instructors must also hold any industry certifications required for teachers who are licensed to teach the same courses as identified in TCP-A-001.

LEAs will be responsible for accumulating evidence and validating the education and experience of individuals hired as an adjunct instructor. LEAs should determine the hourly rate based on the education and experience of the individual.

Recommendation(s):

It is recommended that the State Board of Education (SBE) review and provide feedback on the proposed recommendations for the minimum criteria for hiring adjunct instructors for Career and Technical Education courses. The related draft policy is attached for State Board of Education review.

Discussion/Comments:

- ES&P Committee Chair Olivia Oxendine explained that this item was presented in September by Ms. Jo Anne Honeycutt; she noted a thorough discussion.
- There was no further discussion.

<i>Upon motion by <u>Dr. Olivia Oxendine</u>, and seconded by <u>Mr. Eric Davis</u>, the State Board of Education voted unanimously to accept the NC Department of Public Instruction's recommendation to hire adjunct instructors with the minimum criteria for adjunct instructors for Career and Technical Education courses as presented. (See Attachment ES&P 2)</i>

STUDENT LEARNING AND ACHIEVEMENT COMMITTEE CHAIR REPORT
(Mr. Eric C. Davis, Chair; and Dr. Olivia Holmes Oxendine, Vice Chair)

ACTION

SLA 4 – Report to the North Carolina General Assembly: Biennial Report on Read to Achieve
Policy Implications: General Statute §115C-83.4; SL 2012-142, Section 7A

SBE Strategic Plan:

Goal 2: Every student has a personalized education.

Objective 2.5: Increase the percentage of schools with a performance composite at or above 60% and meeting or exceeding growth.

Presenter(s): Dr. Rebecca Garland (Deputy State Superintendent, Office of the Deputy State Superintendent) and Mrs. Carolyn Guthrie (Director, K-3 Literacy)

Description:

The North Carolina Read to Achieve law (S.L. 2012-142 Section 7A) states that “the State Board of Education shall report biennially to the Joint Legislative Education Oversight Committee by October 15 of each even-numbered year on the implementation, evaluation, and revisions to the comprehension plan for reading achievement and shall include recommendations for legislative changes to enable implementation of current empirical research in reading development.”

The attached report includes priorities of a strategic plan for implementation based on the components of the legislation, the Comprehensive Reading Plan suggested revisions, additions and deletions, documentation of the North Carolina Department of Public Instruction’s implementation and deliverables of each component of the Read to Achieve legislation over the last two years, a statewide overview of accountability measures that are required by this legislation, and results from a 2014-15 report on reading camps, assessment implementation, and alternate assessments. The report also includes recommendations for legislative changes to the law.

Recommendation(s):

The State Board of Education is asked to approve the report to the General Assembly Joint Legislative Education Oversight Committee on the Biennial Report on the Read to Achieve Legislation

Discussion/Comments:

- SLA Committee Chair Eric Davis recognized Ms. Carolyn Guthrie to present this item.
- Ms. Guthrie explained that this report was presented to the State Board in September and several recommendations were discussed at that time. She referred Board members to pages 23-25 of the report and reviewed the changes and additions made resulting from the recommendations made in September.
- Chair Davis drew attention to #5 – Recognize the work of K-2 Teachers and #6 – Consider a statewide literacy campaign (located on page 25 of the report), noting that these two items are critical to the success of students in this program.
- There was no further discussion.

Upon motion by Mr. Eric Davis, and seconded by Ms. Patricia Willoughby, the State Board of Education voted unanimously to approve the report to the General Assembly Joint Legislative Education Oversight Committee as presented. (See Attachment SLA 4)

ACTION ON FIRST READING

SLA 5 – Report to the North Carolina General Assembly: Improve K-3 Literacy Accountability

Measures

Policy Implications: General Statute §115C-83.10

SBE Strategic Plan:

Goal 2: Every student has a personalized education.

Objective 2.5: Increase the percentage of schools with a performance composite at or above 60% and meeting or exceeding growth.

Presenter(s): Dr. Rebecca Garland (Deputy State Superintendent, Office of the Deputy State Superintendent) and Mrs. Carolyn Guthrie (Director, K-3 Literacy)

Description:

The North Carolina Read to Achieve law (S.L. 2012-142 Section 7A) states that “The State Board of Education shall establish a uniform format for local boards of education to report the required information listed in subsection (a) and (b) of this section and shall provide the format to local boards of education no later than 90 days prior to the annual due date. The State Board of Education shall compile annually this information and submit a state-level summary to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Joint Legislative Education Oversight Committee by October 15 of each year, beginning with the 2014-15 school year.”

Subsection (a) includes the statewide numbers and percentages of students who demonstrate and do not demonstrate proficiency on the third-grade End-of-Grade (EOG) test for reading, students who take and pass an alternative assessment of reading comprehension, students who are retained for not demonstrating reading proficiency, and students who are exempt from retention for a Good Cause Exemption. This subsection also includes the number and percentage of first and second graders demonstrating and not demonstrating reading comprehension at grade level.

Subsection (b) includes a description of all reading interventions provided to students who have been retained and the number of first and second-grade students attending a reading camp offered by the local board.

Recommendation(s):

The State Board of Education is asked to accept the report to the General Assembly Joint Legislative Education Oversight Committee on Improving K-3 Literacy: Accountability Measures.

Discussion/Comments:

- SLA Committee Chair Eric Davis recognized Ms. Carolyn Guthrie to present this item for Action on First Reading.

- Ms. Guthrie prefaced this presentation by explaining that General Statutes 115C-83.10 requires each LEA to publish annually on a website maintained by the LEA and to report in writing to the State Board of Education by September 1 of each year its Read to Achieve end-of-year results. The report is due to the General Assembly by October 15, which is the reason it comes before the Board for Action on First Reading.
- Ms. Guthrie noted that this report is about the data. She drew attention to page 2, which provides data for 3rd grade students who are proficient and non-proficient, good cause exemptions, alternative assessments, and the number of retentions, and page 3 provides the statewide Reading Camp data for 2015-16. Ms. Guthrie explained that pages 4-6 provide the same type of information, but the data is disaggregated by LEA for 2015-16. She also noted that pages 7-11 provide a snapshot of the charter school report for 2015-16 Reading to Achieve Grade 3 End-of-Year results.
- In addition, Ms. Guthrie explained that the law also required that each local board of education shall report annually each year a description of all reading interventions provided to students who have been retained. She drew attention to pages 12-14, which include a summary list of explicit reading practices used throughout the state for retained students as well as a summary of reading strategies mentioned in reading intervention reports from the LEAs.
- Noting that the bulk of the report includes the data for all 115 LEAs, Ms. Guthrie explained that the last two pages of the report includes a chart showing the number and percentage of first and second graders in each LEA that qualified for the reading camp this summer and the number of students that attended. She reported that approximately 49 percent of first and second grade students were not at grade level; 51 percent were at grade level. Of the 109,000 first and second grade students who were not at grade level, approximately 32,000 (one third) attended the reading camps. Ms. Guthrie gave a shout out to Granville, Greene, Jones, Washington, and Yancey counties, noting that each of these school systems had almost all of their children who were eligible attend the camps.
- In addition, Ms. Guthrie reported that she took the first and second grade reading camp children who were reading at grade level (51%) and compared each district with how they scored on the end of grade, College and Career Ready and grade level proficient, noting that how students do in first and second grade is a good predictor to how they match up on their EOGs, but most closely matches how they will do on their College and Career Ready. About 83 percent are within that range for a prediction; she noted that this information is not in the report.
- Board member Olivia Oxendine applauded the report, noting that she is especially happy to know that strategies and interventions are being identified because she can see teachers appreciating this type of idea catalog that they can use as a resource in their classrooms. In response, Mrs. Guthrie added that teachers can find additional strategies in the Comprehensive Reading Plan or in the Read to Achieve Live Binder. She explained that there is a Live Binder specifically dedicated to the big ideas, which provides explanations for how some of these strategies work.
- Vice Chairman Collins asked Ms. Guthrie about the number of students who are in fourth grade transition classes. According to chart, Ms. Guthrie reported that 17,000 students were retained last year. The pattern for previous years has been about 1,800 retained back into the third grade. As a follow-up, Mr. Collins wanted to know if the Department plans to follow those 17,000 students to determine what happened to them. Mrs. Guthrie shared that in 2014-15, the first year we would have had a transition class, 36 percent of those children showed proficiency during the fourth grade because they had all year to show proficiency, which equates to between eight to ten thousand students moving on to the fifth grade that still needed support. Mr. Collins responded by stating that we effectively do an educational triage in the third grade. A brief discussion occurred about the students who are passed

on and not able to read. Mr. Collins suggested the need for further discussions on this issue in the future. His suggestion was so noted.

- Referencing the two-thirds of first and second grade students identified for summer camps not participating, Board member Amy White asked if the Department has been able to identify any of reasons that would prevent families from choosing to participate, and if we feel like this is an effective strategy for providing students with the opportunity to become fluent readers, what can we do to encourage participation. Ms. Guthrie explained that transportation should not be an issue because LEAs receive funding for transportation. She stated that we could encourage districts to publicize and communicate more with parents that reading camps are not about labeling a child but rather about supporting that child to proficiency. She indicated that parents are becoming more aware of the law in that they have all of fourth grade to show proficiency. State Superintendent Atkinson added that we must have a concerted effort to expand the reading camps beyond just reading so children want to come in the summer months. She added that LEAs need to be creative in enticing families and children to come to the camps.
- Board member Wayne McDevitt stated that long-range capital constructions for prisons is based in part on third and fourth grade reading data; therefore, we need to take a hard look at making those investments now in reading, then we could free up some capital construction money for our earlier conversation about school construction needs.
- Board member Rebecca Taylor shared that while we are doing great things with the reading camps, the transition classes and trying to prepare the kids, she suggested that there needs to be an emphasis in kindergarten, first grade or even preschool. She suggested that we can then reduce the numbers in third and fourth grade as well as those numbers in prison someday.
- Board member Patricia Willoughby spoke briefly about the Teacher Working Conditions survey and the idea of asking teachers for input. She suggested the same type of strategy with a sample of the LEAs where there is not great participation in summer camps to gather information from parents about why they are choosing not to send their children.
- Vice Chairman Collins spoke about the lack of literacy programs in middle schools across the state where students still need literacy help, noting that, in fact, there are students in high school who still need extra help. He stated that we have to recognize what the capacity of our system is to accomplish what we are asking them to do. And not declare them failures, but rather continue supports for these students throughout their entire career. This should be our number one priority, according to Mr. Collins.
- Dr. Olivia Oxendine recalled a question she raised several months ago about what is happening in grade 3 specifically and the need to take those same literacy practices through the full span of K-5 and perhaps even into the sixth grade. She stated that, in her opinion, good things are happening that need to continue for students in terms of our approach and methodology for teaching reading.
- There was no further discussion.

<p><i>Following the motion by <u>Mr. Eric Davis</u>, and second by <u>Mr. Wayne McDevitt</u>, the State Board of Education voted unanimously to accept the report to the General Assembly Joint Legislative Education Oversight Committee on Improving K-3 Literacy: Accountability Measures as presented. (See Attachment SLA 5)</i></p>

ACTION ON FIRST READING**SLA 6 – Changes to the 2015-16 Accountability Data**

Policy Implications: General Statute §115C-105.20.40 (Article 8B), No Child Left Behind Act of 2001 (NCLB)

SBE Strategic Plan:

Goal 1: Every student in the NC Public School System graduates from high school prepared for work, further education and citizenship.

Objective 1.1: Increase the graduation rate.

Objective 1.2: Graduate students prepared for postsecondary education.

Objective 1.3: Graduate students pursuing a Career and Technical Education (CTE) concentration prepared for careers.

Objective 1.4: Reduce the percentage of students needing remediation in postsecondary education.

Objective 1.5: Increase student performance on the state's End-of-Grade (EOG) and End-of-Course (EOC) Assessments and on the National Assessment of Educational Progress (NAEP).

Presenter(s): Dr. Rebecca Garland (Deputy State Superintendent, Office of the Deputy State Superintendent) and Dr. Tammy Howard (Director, Accountability Services)

Description:

Changes to the 2015-16 accountability data will be presented to the State Board of Education (SBE) for Action on First Reading at the October 2016 meeting.

Recommendation(s):

It is recommended that the State Board of Education approve the changes to the 2015-16 Accountability Data.

Discussion/Comments:

- SLA Committee Chair Eric Davis recognized Dr. Tammy Howard to present this item for Action on First Reading.
- Dr. Howard prefaced this item by explaining that in September when she presented the Accountability Data, the Department entertained a data correction window through September 12. She explained that the information presented today are the changes made to the Accountability Data based on that data correction window; the revised data is presented for the Board's approval this month.
- There was no further discussion.

Following the motion by Mr. Eric Davis, and second by Ms. Amy White, the State Board of Education voted unanimously to approve the changes to the 2015-16 Accountability Data as presented. (See Attachment SLA 6)

ACTION ON FIRST READING**SLA 7 – Career and Technical Education Credential Report****Policy Implications:** Session Law 2013-360**SBE Strategic Plan:**

Goal 1: Every student in the NC Public School System graduates from high school prepared for work, further education and citizenship.

Objective 1.1: Increase the graduation rate.

Objective 1.2: Graduate students prepared for postsecondary education.

Objective 1.3: Graduate students pursuing a Career and Technical Education (CTE) concentration prepared for careers.

Objective 1.4: Reduce the percentage of students needing remediation in postsecondary education.

Objective 1.5: Increase student performance on the state's End-of-Grade (EOG) and End-of-Course (EOC) Assessments and on the National Assessment of Educational Progress (NAEP).

Presenter(s): Dr. Maria Pitre-Martin (Chief Academic and Digital Learning Officer, Academic and Digital Learning) and Mrs. Jo Anne Honeycutt (Director, Career and Technical Education Division)

Description:

Changes to the 2015-16 accountability data will be presented to the State Board of Education (SBE) for Action on First Reading at the October 2016 meeting.

The North Carolina Career and Technical Education 2015-16 Credentialing Data Report offers an accounting of information collected from the administration of different assessments in which students earned credentials. The raw data is disaggregated by local education agency, district, state, and industry credential. This data will be used to improve instruction.

This Credentialing Data report is also required pursuant to Session Law 2013-360. The 2015 budget allotted funds to enable secondary students to participate in credential exams and requires NCDPI to report to the Joint Legislative Education Oversight Committee on the number of CTE students that (i) earn community college credit and (ii) related industry certifications and credentials. There has been a dramatic increase in the number of credentials earned since DPI began collecting data in 2010-11 from 24,782 that year to 140,097 in 2015-16.

Recommendation(s):

It is recommended that the State Board of Education approve the Career and Technical Education Credential Report as submitted.

Discussion/Comments:

- SLA Committee Chair Eric Davis recognized Ms. Jo Anne Honeycutt to present this item for Action on First Reading.
- Using a PowerPoint presentation, Ms. Honeycutt provided an overview of the *2015-16 NC Career and Technical Education (CTE) Credentialing Data* report, revealing that state CTE students earned 140,097 credentials, an increase of nearly 500 percent from the 24,782 credentials reported in 2010-11. She

explained that at the request of the State Board some years ago, the Department has begun reporting the percentage of credentials based on CTE enrollment. At the request of Board member Patricia Willoughby, Ms. Honeycutt highlighted the ten LEAs and charters below, based on the number of credentials earned as a percentage of CTE course enrollment.

- Bladen County Schools - 45.0%
- Yancey County Schools - 42.4%
- Cherokee County Schools - 41.4%
- Mountain Charter - 40.7%
- Elizabeth City-Pasquotank Public Schools - 40.5%
- Mitchell County Schools - 38.5%
- Perquimans County Schools - 35.5%
- Elkin City Schools - 33.0%
- Wilkes County Schools - 32.0%
- Cleveland County Schools - 32.0%
- Chair Davis suggested that credentialing not only highlights the success of the CTE program, but provides a roadmap for the rest of our academic endeavors in showing the value of a North Carolina diploma.
- There was no further discussion.

Following the motion by Mr. Eric Davis, and second by Dr. Olivia Oxendine, the State Board of Education voted unanimously to approve the Career and Technical Education Credential Report as presented. (See Attachment SLA 7)

ACTION ON FIRST READING

SLA 8 – Report to the North Carolina General Assembly: Local Testing for 2016-17

Policy Implications: General Statute §115C-174.12.31, Session Law 2016-94 (HB1030), Section 8.32(b)

SBE Strategic Plan:

Goal 1: Every student in the NC Public School System graduates from high school prepared for work, further education and citizenship.

Goal 2: Every student has a personalized education.

Goal 3: Every student every day has excellent educators.

Presenter(s): Mr. Adam Levinson (Chief of Staff) and Dr. Tammy Howard (Director of Accountability Services)

Description:

S.L. 2016-94 (HB 1030), Section 8.32.(b) directed that G.S. §115C-174.12 31 be rewritten to read as follows:

"§ 115C-174.12. Responsibilities of agencies.

(d) By September 1 of each year, each local board of education shall notify the State Board of Education of any local testing to be administered to students by the local school administrative unit in its schools and the calendar for administering those tests. The local board of education shall include information on the source of funds supporting the local testing program.

(e) By October 15 of each year, the State Board of Education shall submit a report to the Joint Legislative Education Oversight Committee containing information regarding the statewide administration of the

testing program, including the number and type of tests and the testing schedule, and a summary of any local testing programs reported by local boards of education to the State Board of Education in accordance with subsection (d) of this section."

The attached draft report meets the requirements of the above statute and (subject to final technical adjustments) is ready for submission to the Joint Legislative Education Oversight Committee (JLEOC).

Recommendation(s):

NCDPI recommends that the State Board approve the attached report, subject to any final technical adjustments, for submission to the JLEOC by October 15.

Discussion/Comments:

- SLA Committee Chair Eric Davis recognized Mr. Adam Levinson to present this item for Action on First Reading.
- Mr. Levinson framed this presentation by explaining that this report includes summary and statistics; there are no recommendations. He noted that this is the first data collection for a report intended to be an annual report in response to General Statutes §115C-174.12, which requires that by September 1 of each year, each local board of education shall notify the State Board of Education of any local testing to be administered to students by the local school administrative unit in its schools and the calendar for administering those tests. The local board of education shall include information on the source of funds supporting the local testing program. By October 15 of each year, the State Board of Education shall submit a report to the Joint Legislative Education Oversight Committee containing information regarding the statewide administration of the testing program, including the number and type of tests and the testing schedule, and a summary of any local testing programs reported by local boards of education.
- In addition, Mr. Levinson explained that this report was directed by a special provision in the budget. He explained further that this first data collection was done quite quickly since the budget passed in mid-July and required that we receive information from LEAs by September 1. Mr. Levinson added that the Department believes it can retrieve additional data in future years that we were not set up to procure in this data collection window, but believe this is a good baseline.
- Mr. Levinson explained that this report includes both statewide and local testing programs. Drawing attention to the report, he explained that the beginning of the report focuses on the statewide testing program, which is information the State Board has seen in the past and available on the Department's Accountability Services website. Mr. Levinson drew attention to page 8 where the background for the local testing programs begins, explaining that the legislation requires that we capture information regarding local testing to be administered to students by the LEA, the calendar for administering those tests and the source of funds supporting the local testing program. He also directed Board members to the summary of information submitted by the LEAs. He noted that all 115 LEAs reported at least one test to be counted as comprising the "local testing" program in addition to statewide testing. Mr. Levinson spoke briefly about benchmarking/interim testing, which are terms used typically, and often interchangeably, by district and school personnel to describe tests that are administered during, but before the end of, a school year. Mr. Levinson shared that 87% of the local assessments were benchmark/interim assessments followed by 6% summative, and 7% other, which include Diagnostic/Placement, Academically & Intellectually Gifted/IQ, and College & Career Readiness Testing. According to the data collected, the focus of this benchmark/interim testing appears to be on the core subject areas of English Language Arts (ELA)/Reading, Mathematics, and Science.

- Mr. Levinson also spoke briefly about the calendar for administering local tests, noting that local testing occurs in every month of the calendar year. He explained that the most common months during which local testing windows begin are September and October (30%), January (13%), and March-May (30%). The length of scheduled testing windows appeared to vary between one and 45 days, with one day being the most common number reported.
- He also reported that local funds (56%) appear to be the primary source of funds supporting local testing programs, followed by state (30%) and federal funds (9%). A combination of (2%) and Other (3%) make up the remaining sources of funds used to support local testing programs. Other includes grants and other supplemental funding sources.
- Mr. Levinson concluded the presentation by noting that one of things that the Department anticipates doing in the next data collection, with the benefit of more time, is to develop and do technical assistance with LEAs about the type of information we want to gather. At the request of the chairs, Mr. Levinson explained that the Department wants to be able to think about how the testing appears to a third grader, fifth grader, etc. and build it from their perspective as it relates to how much testing a particular child is facing on average in a grade span across the state.
- Chair Davis stated that this item calls attention to the need for better technology as staff had to scramble to pull this information together instead of being able to access what is happening in our statewide system through a technology system that would provide that insight.
- There was no further discussion.

Following the motion by Mr. Eric Davis, and second by Ms. Rebecca Taylor, the State Board of Education voted unanimously to approve the Local Testing for 2016-17 Report for submission to the JLEOC as presented. (See Attachment SLA 8)

MOVED FROM DISCUSSION TO ACTION ON FIRST READING

SLA 9 – Report to the North Carolina General Assembly: Four-Year Cohort Graduation Rate

Policy Implications: Session Law 2010-111, Senate Bill 1246

SBE Strategic Plan:

Goal 1: Every student in the NC Public School System graduates from high school prepared for work, further education and citizenship.

Objective 1.1: Increase the graduation rate.

Objective 1.2: Graduate students prepared for postsecondary education.

Objective 1.3: Graduate students pursuing a Career and Technical Education (CTE) concentration prepared for careers.

Objective 1.4: Reduce the percentage of students needing remediation in postsecondary education.

Objective 1.5: Increase student performance on the state's End-of-Grade (EOG) and End-of-Course (EOC) Assessments and on the National Assessment of Educational Progress (NAEP).

Presenter(s): Dr. Rebecca Garland (Deputy State Superintendent, Office of the Deputy State Superintendent) and Dr. Tammy Howard (Director, Accountability Services)

Description:

Senate Bill 1246, Session Law 2010-111 directed the State Board of Education to develop a growth model for establishing short-term annual goals for improving the four-year cohort graduation rate and to establish

a long-term goal of increasing the statewide four-year cohort graduation rate to one hundred percent. The State Board of Education is also required to report annually on progress toward graduation benchmarks and include strategies and recommendations for achieving those benchmarks. In September 2006, the State Board of Education established the expectation that one hundred percent of the students in North Carolina should graduate from high school when the Board adopted its mission that every public school student will graduate from high school, globally competitive for work and postsecondary education, and prepared for life in the 21st century.

The attached annual report on the Four-Year Cohort Graduation Rate provides the state-level data and district-level data for the 2015-16 school year.

Recommendation(s):

It is recommended that the State Board of Education approve the Four-Year Cohort Graduation Rate report for submission to the General Assembly as presented.

Discussion/Comments:

- SLA Committee Chair Eric Davis recognized Dr. Tammy Howard to present this item for discussion.
- Dr. Howard framed this discussion by explaining that this is annual report sent to the General Assembly on the Four-Year Cohort Graduation Rate for each of the LEAs in North Carolina. Dr. Howard explained that the report highlights those LEAs that met or exceeded the State Board goal; 38% of the LEAs met or exceeded that goal in 2015-16.
- In response to Board member Wayne McDevitt's question, Dr. Howard noted that the data had been vetted with the LEAs prior to publication. With that in mind, Mr. McDevitt asked if there was a reason not to move this item from discussion to Action on First Reading. There were no objections.
- In response to Board member Patricia Willoughby's query, Dr. Howard clarified that this report does not include charter school data, which potentially goes back to when it is was required in the law for districts.
- There was no further discussion.

Following the motion by Mr. Eric Davis, and second by State Treasurer Janet Cowell, the State Board of Education voted unanimously to approve the Four-Year Cohort Graduation Rate report for submission to the General Assembly as presented. (See Attachment SLA 9)

DISCUSSION**SLA 10 – Career and Technical Education Essential Standards**

Policy Implications: SBE Policy #GCS-F-005

SBE Strategic Plan:

Goal 1: Every student in the NC Public School System graduates from high school prepared for work, further education and citizenship.

Objective 1.3: Graduate students pursuing a Career and Technical Education (CTE) concentration prepared for careers.

Presenter(s): Dr. Maria Pitre-Martin (Chief Academic and Digital Learning Officer, Academic and Digital Learning) and Mrs. Jo Anne Honeycutt (Director, Career and Technical Education Division)

Recommendation(s):

It is recommended that the State Board of Education provide feedback and input on the proposed changes and return the item for approval at the November 2016 State Board meeting.

Discussion/Comments:

- SLA Committee Chair Eric Davis recognized Ms. Jo Anne Honeycutt to present this item for discussion.
- After explaining that, annually, the State Board is asked to consider changes to the Essential Standards for Career and Technical Education (CTE), Ms. JoAnne Honeycutt provided a summary of the recommended changes. She explained that from time to time the world changes, which impacts student demands for programs and the ability for the LEAs to offer programs. She drew attention to the chart located on Attachment 1, which provides a summary of the recommendations for course additions and deletions. Ms. Honeycutt provided brief explanations for some of the course recommendations for the Board's information purposes.
- Following the presentation, Vice Chairman Collins expressed concern about how well the courses are articulated to the community colleges. Using Metals Manufacturing as an example, the Vice Chairman noted that there are a lot of metal fabricating opportunities for students, but it has been communicated that some other courses embed metals manufacturing within the curriculum. He suggested that in those areas in which courses are being shifted as opposed to being eliminated because they are obsolete, that the Department provide information regarding the articulation, specifically as it relates to the availability in those areas where there is low enrollment. He noted that some sort of dual enrollment with the community college would also be helpful so as not to look like we are neglecting a particular industry or a particularly successful course in a school. The Vice Chairman stated that he trusts that the Department is working on a way to satisfy the concerns expressed to him related to this issue.
- In response to Board member Olivia Oxendine's question, Ms. Honeycutt noted that these changes would be effective with the 2017-18 school year, which gives LEAs time to adjust registration materials. She explained that the department has already had discussions with local CTE directors about the proposed changes and they are planning accordingly. She added that this also gives LEAs time to submit applications for local course offerings should they choose to continue with a course on the removal list. Ms. Honeycutt concurred with Dr. Oxendine's comments about students not being held accountable for the standards that relate to the course from the state accountability standpoint. The LEA is responsible for administering their own end-of-course assessment in which they would report back to the state for proficiency purposes, noting that it is required by Perkins; but those students would not take a state final exam.
- Board member Amy White thanked Ms. Honeycutt for her work and for recommending necessary changes in CTE courses to stay current. She stated that CTE courses and the availability of a trainable workforce is the number five indicator of future economic growth in North Carolina. She stated further that if schools are not providing the opportunity for students to learn and then transfer to the community college, then we are missing a real opportunity to continue to put North Carolina in the forefront related to recruitment for large businesses.
- There was no further discussion.

This item is presented for Discussion during the October State Board of Education meeting and will return for Action in November 2016. (See Attachment SLA 10)

EDUCATION INNOVATION AND CHARTER SCHOOLS COMMITTEE CHAIR REPORT
(Ms. Rebecca Taylor, Chair; Mr. Wayne McDevitt, Vice Chair)

DISCUSSION**EICS 1 – JLEOC Report on Low-Performing Schools and Districts**

Policy Implications: General Statute §115C-15(25), Section 8.25(b)

SBE Strategic Plan:

Goal 1: Every student in the NC Public School System graduates from high school prepared for work, further education and citizenship.

Objective 1.1: Increase the graduation rate.

Objective 1.2: Graduate students prepared for postsecondary education.

Objective 1.3: Graduate students pursuing a Career and Technical Education (CTE) concentration prepared for careers.

Objective 1.4: Reduce the percentage of students needing remediation in postsecondary education.

Objective 1.5: Increase student performance on the state's End-of-Grade (EOG) and End-of-Course (EOC) Assessments and on the National Assessment of Educational Progress (NAEP).

Presenter(s): Dr. Rebecca Garland (Deputy State Superintendent, Office of the Deputy State Superintendent) and Dr. Nancy Barbour (Director, District and School Transformation)

Description:

The following report provides a brief summary of legislation about the definition of low-performing schools and low-performing local school administrative units. In addition, the report provides a general analysis of trends and patterns identified in the plans submitted to the Department of Public Instruction for feedback. Also included in the report are the final results of performance and growth data for low-performing districts and schools for the 2015-16 school year. The following bullets provide highlights from the report:

- When comparing the results from 2014-15 to 2015-16, there is an overall decrease of 92 low-performing schools, from 581 to 489.
- The same is true when comparing the low-performing districts in 2014-15 to 2015-16, with a decrease of 5.
- 100% of the District and School plans were submitted, reviewed and posted to the NC Department of Public Instruction website.
- The 2016-17 low-performing school plans will utilize the NCStar management tool to submit and monitor progress for each low-performing school.

Recommendation(s):

It is recommended that the State Board of Education accept this report as written to submit to the Joint Legislative Education Oversight Committee by the January 15, 2017, due date.

Discussion/Comments:

- EICS Committee Chair Rebecca Taylor explained that legislation requires the State Board of Education to submit a report to the Joint Legislative Education Oversight Committee (JLEOC) annually regarding districts and schools identified as low-performing, effective improvement

planning, and recommendations for additional legislation to improve student performance and increase local flexibility. She commended Dr. Nancy Barbour for her work preparing the report and Executive Summary, which specifically highlights what the State Board needs to think about related to next steps and future work.

- Chair Taylor reported that there are 92 less schools from 2014-15 to 2015-16 that are no longer considered low-performing schools. In addition, there is a decrease in the number of low-performing LEAs, going from 20 to 15 LEAs in the low-performing category. Chair Taylor noted, however, that there are still 489 low-performing schools, which means there is still a lot of work to be done. According to Chair Taylor, Board members need to keep in mind that we do not have a large department taking on this work and there is a need in that area.
- There was no further discussion.

This item is presented for Discussion at the October State Board of Education meeting and will return for Action in November 2016. (See Attachment EICS 1)

BUSINESS OPERATIONS COMMITTEE CHAIR REPORT **(Mr. Gregory Alcorn, Chair; Mr. Todd Chasteen, Vice Chair)**

ACTION

BSOP 5 – Revise Licensure Fees

Policy Implications: N/A

SBE Strategic Plan:

Goal 4: Every school district has up-to-date financial, business, and technology systems to serve its students, parents and educators.

Objective 4.3: Use state and federal funding according to state and federal laws and State Board of Education policies

Presenter(s): Mr. Philip Price (Chief Financial Officer, Financial and Business Services) and Ms. Susan Ruiz (Section Chief, Licensure Section)

Description:

Attached is background information on the current status of licensure expenditures and receipts along with some information to help guide conversations around changing the licensure fee structure.

Recommendation(s):

It is recommended that the State Board of Education approve the proposed revised fee structure.

Discussion/Comments:

- BSOP Committee Chair Greg Alcorn recognized Mr. Philip Price to present this item.
- Mr. Price prefaced this presentation by explaining that the document presented this month contains the same numbers received in September related to fee changes. He summarized the proposed recommended increases and reductions.
- According to Mr. Price, Ms. Rachel Beaulieu gathered feedback from various organizations, noting that while they are not ecstatic about the changes in teacher licensing fees they are supportive of the changes in principle; they understand that it is necessary to close the deficit of \$500,000 with a

revenue stream.

- Chair Alcorn applauded the avoidance of the option to close one of the Regional Licensing Centers. Noting due diligence, Chair Alcorn moved to approve. The second was made by Board member Todd Chasteen, followed by discussion.
- Board member Wayne McDevitt stated that while he will vote for this because he understands the necessity, he does not like it. He suggested that at some point the Department must figure out how North Carolina compares to other states and the cost for a teacher to become a teacher.
- Board member Patricia Willoughby stated that you cannot avoid looking at the irony that we will charge an extra \$5 for a Master's degree but will not pay teachers for a Master's degree.
- Vice Chairman Collins expressed similar concerns, stating that he does not believe we need to be taxing teachers to stay in the profession. He asked Mr. Price if any consideration had been given to some sort of relief for teachers who are continuously employed in an LEA. A brief discussion ensued. The currently employed teachers should be treated differently, according to the Vice Chairman. He stressed that he sees no benefit of a five-year renewal other than collecting fees needed to finance Licensure operations.
- Board member Olivia Oxendine asked Mr. Price to explain what the fees are paying for. In response, Mr. Price explained that the entire Licensure operations, including the system and Regional Licensure Centers, is receipt supported; there are no state appropriations supporting Licensure, which is currently operating with a \$500,000 deficit that must be reconciled to continue operations.
- Dr. Oxendine shared that she understands the need for the five-year renewal, noting that she is working on her tenth renewal because it ensures that teachers are kept current, keep up with changes in technology, etc., which is all tied to continuous improvement. She agreed that it would be a great relief if there were another way to support that renewal financially. Vice Chairman Collins stated that his point was that each LEA has to keep up with the CEUs for teachers anyway, and believes we need to find another way to pay for it.
- State Superintendent Atkinson suggested that, as the State Board looks at its budget request for the General Assembly, perhaps one solution would be to include the \$800,000 as part of the Board's request so that there will be state funds to support Licensure operations. Mr. Price stated that the resolution would not be timely to cover this year's situation, and action would need to occur prior to that to resolve the budget discrepancy. Board member Eric Davis concurred with Dr. Atkinson's suggestion of making a request to the General Assembly. He noted that the Board spent the last few years improving the efficiency and effectiveness of the Licensure program by moving it to an online application, and, on Wednesday, the Board talked about how important talent is to turning around our schools and filling the teacher pipeline. He suggested that it would be a great gesture on the part of our primary funder (the General Assembly) to pay for the licenses of the teachers we need to retain.
- Teacher of the Year Keana Triplett stated that, as a teacher grandfathered in under the Masters pay, it is easier for her to swallow the extra amount she will have to pay; she is Nationally Board certified and holds a Master's degree. Ms. Triplett stated that she thinks about her colleagues who earned these honors without the pay raise because they wanted to be better at their profession. She stressed that she has a hard time looking at her colleagues and saying pay that extra \$5 for what you paid for already out of your pocket and will see no compensation for. She stated that she questions why she should encourage others to be better in their profession when they have to pay for earning the degree, and then have to pay more for renewing their license.

- In response to Board member Wayne McDevitt's question, Mr. Price clarified that these fee increases would be effective January 1, 2017. A brief discussion ensued about the timing and the ability to cover the deficit this year. Mr. Price explained that there will still be a shortage in this fiscal year, but the revenue stream will be sufficient to cover future years. Non-recurring funds will be necessary to cover the deficit this year, according to Mr. Price.
- Board member Patricia Willoughby suggested that action be taken as a temporary measure with a sunset date. A brief discussion ensued about following the suggestion of asking the General Assembly for appropriations to cover operational fees to be adjusted with the first priority being currently employed teachers.
- There was no further discussion.

Upon motion by Mr. Greg Alcorn, and seconded by Mr. Todd Chasten, the State Board of Education voted unanimously to approve the revised fee structure as presented. At the suggestion of Vice Chair Collins, the motion was withdrawn and restated.

Upon motion by Mr. Greg Alcorn, and seconded by Mr. Eric Davis, the State Board of Education voted unanimously to adopt the revised fee schedule, but if funding is appropriated to partially or completely support the licensure operations, DPI will reduce the fees accordingly, with the priority being fee relief for those teachers who are continuously employed (LEA-based renewals). Vice Chair Collins noted "reluctantly" for the record. (See Attachment BSOP 5)

ACTION ON FIRST READING

BSOP 6 – School Improvement Grants (SIG)

Policy Implications: SBE Policy #TCS-O-001, Elementary and Secondary Education Act (ESEA), Section 1003(g)

SBE Strategic Plan:

Goal 4: Every school district has up-to-date financial, business, and technology systems to serve its students, parents and educators.

Objective 4.3: Use state and federal funding according to state and federal laws and State Board of Education policies

Presenter(s): Dr. Rebecca Garland (Deputy State Superintendent, Office of the Deputy State Superintendent) and Ms. Donna Brown (Director, Federal Program Monitoring and Support)

Description:

The School Improvement Grant (SIG) program, authorized under section 1003(g) of Title I of the Elementary and Secondary Education Act of 1965 (ESEA) provides grants for use in a state's lowest-achieving schools. These funds are awarded by formula to states, which then make competitive five-year grants available to local education agencies (LEAs) with the first year considered to be a planning year. An LEA may request funds for eligible schools in amounts between \$50,000 and \$2,000,000 per year for each school it commits to serve.

During the 2015-16 school year, the United States Department of Education (USED) invited each state education agency (SEA) to submit an application for 2015-16 and 2016-17 SIG funds. Schools eligible for funds were identified as the state's "priority" schools that had not previously received SIG funds.

Priority schools are those schools identified as follows:

- Title I schools with “proficiency scores-Reading/Math” below 50% in the previous year and one of the two prior years; or
- Title I participating or eligible (non-participating) high schools with graduation rates below 60% in the previous year and one of the two prior years.

Of the seventy-seven priority schools eligible for SIG funds, seventeen LEAs and two charter schools applied to serve forty-six schools. Nineteen school applications, representing 14 LEAs, are being recommended for approval. Award amounts to LEAs were based on the available funds, the quality of the application, and average daily membership of the school. With the waivers approved by USED, funds will be available through September 30, 2021.

Recommendation(s):

It is recommended that the State Board of Education approve the grant requests outlined in the accompanying documents.

Discussion/Comments:

- BSOP Committee Chair Greg Alcorn recognized Ms. Donna Brown to present the School Improvement Grant recommendations for Action on First Reading.
- Mr. Eric Davis recused himself from discussion and voting.
- Ms. Donna Brown explained that the purpose of this item is to bring forth the fourth and final cohort of School Improvement Grant applicants for the Board’s consideration for approval to begin implementation in the 2016-17 school year.
- Ms. Brown explained that the SIG program as previously authorized under ESEA is no longer a standalone program under ESSA, noting that this is the final list of recommended applicants. She explained that funds are forward appropriated with a small amount of funding that allowed us to offer one final competition.
- According to Ms. Brown, 77 schools were eligible for the funds. Of those, the Department received 46 applications, representing 17 LEAs and two charter schools. Nineteen applications are presented for approval, which represent eight LEAs. She noted that the total award available is \$39.5M, which is the smallest amount of funding we have ever had available to offer for schools to implement a five-year plan. Ms. Brown noted that 2016-17 is considered the planning year.
- Ms. Brown drew attention to page 4, which provides the list of recommendations with the models. She explained that the SIG program requires that schools implement one of six rigorous intervention models. She also directed Board members to page 5 to view the recommendations with the scores.
- There was no further discussion.

Upon motion by Mr. Greg Alcorn, and seconded by Mr. Wayne McDevitt, the State Board of Education voted to approve School Improvement Grants (SIG) as presented. Board member Eric Davis recused himself from the vote. (See Attachment BSOP 6)

DISCUSSION**BSOP 7 – 2017-19 Biennial Expansion Budget Policy Issues****Policy Implications:** House Bill 1030 (Budget Bill)**SBE Strategic Plan:****Goal 4:** Every school district has up-to-date financial, business, and technology systems to serve its students, parents and educators.**Objective 4.3:** Use state and federal funding according to state and federal laws and State Board of Education policies**Presenter(s):** Mr. Philip Price (Chief Financial Officer, Financial and Business Services)**Description:**

In preparation for a request from the Office of State Budget and Management, the Department of Public Instruction (DPI) has solicited feedback both internally and externally on budget priorities for the 2017-2019 Biennial Budget and the 2017 legislative session.

Recommendation(s):

It is recommended that the State Board of Education discuss policy priorities.

Discussion/Comments:

- BSOP Committee Chair Greg Alcorn recognized Mr. Philip Price to present this item for discussion.
- Mr. Price provided a general overview of the first seven biennial expansion policy issues listed below.

1. Charter School Funding

Mr. Price reminded Board members of the complexities related to having the ability to project growth in each charter school. He stated that legislative changes have created some issues that have caused funding mechanism problems. The number of students attending charter schools is growing faster than growth in the regular traditional public schools. In 2016-17, there are more than 85,000 students enrolled in charter schools. The complexity comes from charter schools not being built into the same historical structure that is used to project the number of students who will attend school, which is the birth rate. In the past, the birth rate provided a 98% accuracy rate of projecting where kids are born and where they would go to school. The more charter schools there are within a school district causes a projection problem, according to Mr. Price. It has complicated our ability to accurately project average daily membership by school district.

In addition, related to the 20% growth, which the legislation changed means that the money comes from LEAs, which is a projection that often reduces a school district's funding initially. But when a student does not attend the charter school, a lot of adjustments have to occur. Price spoke briefly about the issues related to accurately building the budgets. With that said, Mr. Price explained that Ms. Alexis Schauss has formed a Task Force that will continue to analyze options to bring to the State Board to recommend legislative changes that will facilitate our ability to better fund charter schools, have less of a negative impact on LEAs, and enable the Department to build budgets in a much more accurate and easier way. According to Mr. Price, one recommendation is to separate the funding and create a charter funding pool.

2. Class size allotments/requirements legislated changes for FY 2017-18

Mr. Price reminded Board members that when allotments are made, school districts have the ability to have a higher average number of students. Under legislation passed in the General Assembly this past session, the budget bill requires that the class-size ratio has to be the allotment bill ratio. The differential between the allowable class size and the allotted class size average is for LEAs to provide flexibility within schools and the ability to hire program enhancement teachers (art, physical education, and other supplemental teachers). Mr. Price reported that he has heard from six LEAs about the impact that they think would occur if this legislation comes into play; specifically related to how many teachers it would impact that are currently used as program enhancement teachers. Mr. Price spoke briefly about the complexity for the state to produce a formula that can tell the exact impact of this particular change because LEAs actually look at each school to determine how many additional teachers are required to ensure the class size average. He explained that it gets down to a very low level that the state does not have the mechanisms to do. He stated that initial estimates appear between 4,000 and 4,400 teachers will be impacted statewide, utilizing the local formulas that they shared with the Department. LEAs will have to find the resources to retain those teachers, which will have a negative impact on their ability to retain those teachers. It is important to note, that this language does not change the total number of teachers available to the school district. It requires that those teaching self-contained classes or core subjects to be at the allotment ratio. LEAs have been asked to work closely with their legislators to make sure they understand what is happening, specifically what this data will do to their ability to be able to hire the supplemental teachers, etc.

In response to Vice Chairman Collins's question about data on capital needs, Mr. Price explained that Camden County expressed concern that if they did have to have additional classrooms, there would be construction issues. Other LEAs are communicating that this legislation would create a need for additional classroom space. A brief discussion occurred about facility usage and capital needs.

3. Competitive salary for assistant principals and principals (New Business presentation to Board in November)

Mr. Price reminded State Board members that Ms. Alexis Schauss is scheduled to present on this topic in November to provide some of the challenges that the current salary structure is having on being able to recruit, retain and pay assistant principals and principals.

Mr. Price shared that as the Department conducted its listening tour across the state, items 4-7 below are items associated with specific LEA requests.

4. School-based awards (ABCs) rather than differentiated pay
5. Pay teachers for their master's degree
6. Reduce allotment categories
7. Remove restrictions on flexibility with teacher assistants, children with special needs, CTE

As Ms. Rachel Beaulieu made her way to the podium, Chair Alcorn explained that the purpose of this presentation is to give the history and the status update for each of these issues. Chair Alcorn shared that it has been suggested to have a breakout session in December to drill down on the resources, opportunities, potential consequences, and values for each one of these items. Mr. Collins expressed no objections to the suggestion made by Chair Alcorn.

Ms. Beaulieu explained that the remaining items on this list were not in any sort of priority order, but many of the items such as school calendar flexibility, A-F School Performance Grades, early childhood education and Pre-K, reflect the priorities of the Board. She explained further that this list is to plant seeds as the Board begins to work on its 2017 legislative agenda and budget expansion requests.

8. School calendar flexibility
9. A-F School Performance Grades
10. AP/IB and industry credentials bonuses - charter school eligibility
11. Criminal background checks system
12. District & school transformation – “low performing schools” statutes
13. Early childhood education
14. Performance evaluations and licensure status
15. Regulatory reform – contract procurement
16. SBE report date changes and report eliminations
17. State legislation - Every Student Succeeds Act (ESSA)
18. Student teachers in military base schools
19. Virtual charter school pilots
20. Other

Ms. Beaulieu spoke briefly about technical fixes that need to occur such as budget language that could benefit from improvement. For example #10. AP/IB bonuses. She explained that it was seemingly an oversight by legislators that charter school teachers are not included as eligible for the bonuses. She explained further that, along with Ms. Alexis Schauss and Mr. Dave Machado, she is working with legislators to get that technical fix made.

Other technical changes include #14 - performance evaluations and licensure status. She explained that there are some provisions in this year’s budget that deal with a teacher’s performance and the rating on a performance evaluation being linked to the status of that teachers licensure.

As it relates to #16 - State Board report changes, Ms. Beaulieu explained that just by virtue of this year’s session law there are 23 new reports that the State Board will have to review. The overall number of required reports is 66. This is an item that dovetails into what the Board will look at in November as it relates to the effect of the cuts to the agency budget overtime and the increased responsibilities, according to Ms. Beaulieu. She stressed that while a report just looks like a report at first blush, a lot goes into each and every one of these now 23 new reports.

#15 – Regulatory reform – contract procurement –deals with regulations that all state agencies have to comply with, according to Mrs. Beaulieu.

#18 - Student teachers in military base schools. Ms. Beaulieu explained that a legislator brought to her attention that an unintended consequence is that changes in the 2015 budget dealing with mentor and student teachers has language that only allows teachers in “local administrative school units.” She stated that this legislator’s district includes a military base. He indicated that it looks like student teachers under this law are not allowed in military base schools.

#19 – Virtual Charter Pilots – legislators have indicated that this bill could use some refining. Ms. Beaulieu explained that the State Board will receive the annual Virtual Charter School Report in November, noting a wealth of data to review.

Board member Olivia Oxendine stated that she was happy to see #14 - Performance evaluations and licensure status. She asked Mrs. Beaulieu to elaborate further about her conversation with the legislative attorney related to this particular item. Ms. Beaulieu stated that she believes he understood the inherent problems, and spoke briefly about a technical changes bill toward the end of session. She explained that the last version she saw of the House Bill had some of the offending language removed, but because that bill did not get to the Senate in time prior to final adjournment, the solution did not happen. She stated that she believes there is legislative attention on this issue.

Board member Wayne McDevitt shared that he was trying to figure out the process ahead to align the rich dialogue from the planning session and how those ideas manifest themselves into a plan and then ultimately a budget request, stating that the budget process will work itself out over the next few months. He stated that it would be helpful for him to distinguish between budget items and policy items that do require funding. And, separately, to have conversations around those policy items that do not require money.

State Treasurer Janet Cowell stated that to open the door of communications between offices, school infrastructure is a huge topic and should be added to the list, which would allow an ongoing dialogue.

Referring to Mr. McDevitt's and Treasurer Cowell's comments, State Superintendent Atkinson stated that she keeps bringing up the fact that it is the responsibility of the State Superintendent to present the needs of the public schools in North Carolina to the General Assembly in January. She suggested that she sees that as a document that can be used to bring the State Board's recommendations to the forefront about what should be changed in policy and the financial needs. According to Dr. Atkinson, this is an report which can be packaged to reflect the Board's priorities for the General Assembly, noting that packaging the budget items and non-budgetary items in November and December will fit well into that report.

- There was no further discussion.

This item was presented for Discussion at the August and September State Board of Education meetings and returns for additional discussion during the October 2016 meeting. (See Attachment BSOP 7)

DISCUSSION

BSOP 8 – Bonuses for Advanced Placement (AP) and International Baccalaureate (IB) Pilot Programs

Policy Implications: SBE Policy #TCS-M-003

SBE Strategic Plan:

Goal 4: Every school district has up-to-date financial, business, and technology systems to serve its students, parents and educators.

Objective 4.3: Use state and federal funding according to state and federal laws and State Board of Education policies

Presenter(s): Mr. Philip Price (Chief Financial Officer, Financial and Business Services) and Ms. Susan Ruiz (Section Chief, Licensure Section)

Description:

Appropriations Bill 2016-94 Section 8.8 appropriates \$4,300,000 to pay teachers of Advanced Placement (AP) and International Baccalaureate (IB) students bonuses based on the exam results.

The bonus is based on exams taken in the 2015-16 school year, is specified as \$50 per exam at a grade 3 or above on AP or 4 or above on IB, and has a maximum of \$2,000 per teacher per year. To be eligible the teacher must be teaching advanced courses in the same LEA at least until the bonus is paid in January.

Recommendation(s):

It is recommended that the State Board of Education discuss the proposed policy.

Discussion/Comments:

- BSOP Committee Chair Greg Alcorn recognized Mrs. Alexis Schauss to present this item.
- Mrs. Schauss prefaced this item by explaining that BSOP 8, BSOP 9, and BSOP 10 are all related to allotment policy additions due to legislative changes in the appropriations bill that appropriated funds for various bonuses. She added that these policy items are based on the distribution formula as to how the funds will be distributed to LEAs. Mrs. Schauss explained that, at this point, we do not have the results on impact, but hope to have that information item in November to support this item.
- Mrs. Schauss explained that \$4.3M was appropriated for the bonuses for Advanced Placement (AP) and International Baccalaureate (IB) pilot program in Appropriations Bill 2016-94. The bonuses are for AP and IB teachers who have students that pass the AP or IB exams at a grade 3 or above on AP exams or 4 or above on IB exams. Teachers are eligible for \$50 per exam up to a maximum of \$2K. Mrs. Schauss explained that one of the criteria for eligibility is that the teacher remain in the same LEA teaching those advanced courses at least until the bonus is paid in January.
- Mrs. Schauss noted that the policy, which explains the legislative requirements, will be included in the allotment policy manual. Mrs. Schauss pointed out that one item that is not specifically stated in the legislation is that a student must be enrolled and have attained a grade in that corresponding course for the teacher to be eligible. She explained that this is consistent with the policy related to the fees covered for AP.
- Board member Eric Davis shared that he would be interested during this two-year period to hear about what the benefits that our schools, student and teachers have derived from this policy and what the unintended consequences may have been. He suggested a response gathering to understand how this policy has affected high school course scheduling, the treatment of teachers and student academic achievement.
- There was no further discussion.

This item is presented for Discussion at the October State Board of Education meeting and will return for Action in November 2016. (See Attachment BSOP 8)

DISCUSSION**BSOP 9 – Industry Certifications and Credentials Teacher Bonuses****Policy Implications:** Appropriations Bill 2016-94, Section 8.9, SBE Policy #TCS-M-003**SBE Strategic Plan:****Goal 4:** Every school district has up-to-date financial, business, and technology systems to serve its students, parents and educators.**Objective 4.3:** Use state and federal funding according to state and federal laws and State Board of Education policies.**Presenter(s):** Mr. Philip Price (Chief Financial Officer, Financial and Business Services) and Mrs. Alexis Schauss (Director, School Business Division)**Description:**

Appropriations Bill 2016-94 Section 8.9 appropriates \$600,000 for bonuses for teachers for each of their students who earn an approved industry certification or credential as defined by the Department of Commerce in collaboration with the State Board of Education.

The bonus is based on certifications and credentials earned in the 2015-16 school year, is specified as \$25 or \$50 per student depending on the value, and has a maximum of \$2,000 per teacher per year. To be eligible, the teacher must be teaching courses leading to approved certification in the same LEA at least until the bonus is paid in January.

Recommendation(s):

It is recommended that the State Board of Education discuss the proposed policy.

Discussion/Comments:

- BSOP Committee Chair Greg Alcorn recognized Mrs. Alexis Schauss to present this item for discussion.
- Mrs. Schauss explained that this item is for teacher bonuses for students who have attained industry certifications and credentials. She explained that \$600K was appropriated for the teacher bonuses for in Appropriations Bill 2016-94, Section 8.9.
- Mrs. Schauss explained that this item is slightly different and more complex than the bonuses for AP and IB teachers. These bonuses are categorized into \$25 and \$50 bonuses based on the academic rigor and the employment value of that credential/certification. Mrs. Schauss explained further that the legislation states that the Department of Commerce in consultation with the State Board of Education will determine the level of each of the approximately 75 certification credentials, i.e., whether they will be at a \$25 or \$50 value. Mrs. Schauss noted that this item will be brought to the State Board in November by Ms. Jo Anne Honeycutt.
- Mrs. Schauss explained that to be eligible for the bonus, the teacher is required to remain in the same LEA at least until the bonus is paid in January. There is a \$2K bonus maximum per teacher per year.
- There was no further discussion.

This item is presented for Discussion at the October State Board of Education meeting and will return for Action in November 2016. (See Attachment BSOP 9)

DISCUSSION**BSOP 10 – Third-Grade Teacher Reading Performance Pilot****Policy Implications:** SBE Policy #TCS-M-003**SBE Strategic Plan:**

Goal 4: Every school district has up-to-date financial, business, and technology systems to serve its students, parents and educators.

Objective 4.3: Use state and federal funding according to state and federal laws and State Board of Education policies

Presenter(s): Mr. Philip Price (Chief Financial Officer, Financial and Business Services) and Mrs. Alexis Schauss (Director, School Business Division)

Description:

Appropriations Bill 2016-94 Section 9.7 appropriates \$10,000,000 for bonuses for third-grade reading teachers based on the Education Value-Added Assessment System (EVAAS) student growth index score for third-grade reading.

The General Assembly allotted \$5,000,000 based on bonuses to licensed third-grade teachers who are in the top twenty-five percent (25%) of teachers in the state according to the EVAAS student growth index score for third-grade reading from the previous year. These funds shall be allocated equally among qualifying teachers.

The General Assembly allotted \$5,000,000 to pay bonuses to licensed third-grade teachers who are in the top twenty-five percent (25%) of teachers in their respective LEA according to the EVAAS student growth index score for third-grade reading from the previous year. These funds shall be split proportionally based on average daily membership for each local school administrative unit and then distributed equally among qualifying teachers in each LEA.

Recommendation(s):

It is recommended that the State Board of Education discuss the proposed policy.

Discussion/Comments:

- BSOP Committee Chair Greg Alcorn recognized Mrs. Alexis Schauss to present this item for discussion.
- Mrs. Schauss explained that \$10M was appropriated for the bonuses for third-grade reading teachers based on the Education Value-Added Assessment System (EVAAS) student growth index score for third-grade reading in Appropriations Bill 2016-94. She explained further that these bonuses are separated into two \$5M categories - The first category is for a statewide level of achievement (top 25% of teachers in the state) and the second category is for LEA wide (top 25% of teachers in their respective LEA). Mrs. Schauss noted that a teacher may be eligible for both if they meet the eligibility requirements. Teachers are required to remain teaching third grade in the same LEA to be eligible, according to legislation. She noted concern from LEAs related to that requirement.
- Mrs. Schauss explained that the EVAAS data has just been collected at the teacher level. The Department is currently compiling the amount, which will be divided proportionally based on the number of teachers and the available funds, according to Mrs. Schauss.

- At the request of Board member Olivia Oxendine, Mrs. Schauss clarified the eligibility requirements for teachers at the district and state levels.
- There was no further discussion.

This item is presented for Discussion at the October State Board of Education meeting and will return for Action in November 2016. (See Attachment BSOP 10)

UPDATE ON CONTRACTS

BSOP Committee Chair Greg Alcorn encouraged Board members to review the contracts located in their Board books.

CHAIRMAN'S REMARKS

Under the Chairman's Remarks, Vice Chairman Collins reiterated appreciation to its partners – the local school systems and Appalachian State University – for all of their support and for helping to make this a successful out-of-town Board meeting. He extended a special thank you to Ms. Emily Wolfe of Chancellor Evert's staff for ensuring that no stone was left unturned. He expressed appreciation to all staff members for their hard work and efforts as well.

NEW BUSINESS

N/A

CLOSED SESSION

Vice Chairman Collins called for a motion to go into Closed Session. He noted for the audience and those listening online that the Board will immediately adjourn following its Closed Session.

Upon motion made by Mr. Wayne McDevitt and seconded by Mr. Todd Chasteen, the Board voted unanimously to go into Closed Session to discuss matters that are privileged and confidential under state or federal law and to discuss matters that are protected under attorney-client privilege, and to discuss personnel matters.

ADJOURNMENT

Indicating no other business, Vice Chairman Collins requested a motion to adjourn.

Upon motion by Ms. Amy White and seconded by Mr. Wayne McDevitt, Board members voted unanimously to adjourn the October 6, 2016, meeting of the State Board of Education.